
By: **Senators Astle and Klausmeier**
Introduced and read first time: January 31, 2003
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Individual Deferred Annuities - Minimum Nonforfeiture Amount - Interest**
3 **Rate on Accumulations**

4 FOR the purpose of reducing the interest rate applied to certain accumulations used
5 to determine the minimum nonforfeiture amount under certain annuity
6 contracts; and generally relating to the interest rate applied to accumulations
7 used to determine the minimum nonforfeiture amount on individual deferred
8 annuity contracts with flexible considerations.

9 BY repealing and reenacting, with amendments,
10 Article - Insurance
11 Section 16-504(b)(1)
12 Annotated Code of Maryland
13 (2002 Replacement Volume and 2002 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Insurance**

17 16-504.

18 (b) (1) The minimum nonforfeiture amount under an annuity contract that
19 provides for flexible considerations at any time before or at the start of annuity
20 payments shall equal the remainder of:

21 (i) the accumulation until that time, at an interest rate of [3%]
22 1.5% per year, of the percentages of the net considerations paid before that time,
23 calculated under paragraph (2) of this subsection, and any existing additional amount
24 credited by the insurer to the contract; less

25 (ii) the sum of:

26 1. any withdrawal from or partial surrender of the contract
27 accumulated at an interest rate of [3%] 1.5% per year; and

